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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
TV Azteca, S.A.B. de C.V., <i>et al.</i> , ¹)	Case No. 23-10385 (LGB)
Alleged Debtors.)	(Joint Administration Requested)

**STATEMENT OF THE PETITIONING
CREDITORS IN SUPPORT OF THE INVOLUNTARY CHAPTER 11
PETITIONS AGAINST TV AZTECA AND ITS DEBTOR AFFILIATES**

¹ The Debtors in these cases are TV Azteca, S.A.B. de C.V.; Alta Empresa, S.A. de C.V.; Asesoría Especializada En Aviación, S.A. de C.V.; Equipo de Futbol Mazatlan, S.A. de C.V.; Producciones Dopamina, S.A. de C.V.; Azteca Records, S.A. de C.V.; Ganador Azteca, S.A.P.I. de C.V.; Operadora Mexicana De Televisión, S.A. de C.V.; Azteca Sports Rights LLC; Producciones Azteca Digital, S.A. de C.V.; Producciones Especializadas, S.A. de C.V.; Productora De Televisión Regional De Tv Azteca, S.A. de C.V.; Promotora de Futbol Rojinegros, S.A. de C.V.; Mazatlan Promotora de Futbol, S.A. de C.V.; Publicidad Especializada en Medios de Comunicación de TV Azteca, S.A. de C.V.; S.C.I. de México, S.A. de C.V.; Servicios Aéreos Noticiosos, S.A. de C.V.; Servicios Especializados Taz, S.A. de C.V.; Servicios y Mantenimiento del Futuro en Televisión, S.A. de C.V.; Corporación de Asesoría Técnica y de Producción, S.A. de C.V.; Editorial Mandarina, S.A. de C.V.; Multimedia, Espectáculos y Atracciones, S.A. de C.V.; Servicios Foráneos de Administración, S.A. de C.V.; Servicios Locales De Producción, S.A. de C.V.; Azteca International Corporation; Stations Group, LLC; TV Azteca Honduras, S.A. de C.V; Comercializadora de Televisión de Honduras, S.A. de C.V.; Incotel S.A.; TVA Guatemala S.A; Lasimex, S.A. de C.V.; TV Azteca Global, S.L.U.; Azteca Comunicaciones Perú, S.A.C.; Redes Opticas, S.A.C; Televisora del Valle de México, S.A. de C.V. The location of the Debtors' corporate headquarters is Periférico Sur 4121, colonia Fuentes del Pedregal, alcaldía Tlalpan, C.P. 14140, Ciudad de México, México.

Pursuant to section 303 of title 11 of the United States Code (the “Bankruptcy Code”), Plenisfer Investments SICAV - Destination Value Total Return, Cyrus Opportunities Master Fund II, Ltd., and Sandpiper Limited (together, the “Petitioning Creditors”) filed involuntary petitions (the “Involuntary Petitions”) against T.V. Azteca, S.A.B. de C.V. (“TV Azteca” or the “Company”) and certain subsidiary guarantors (the “Guarantors” and together with TV Azteca, the “Debtors”) party to that certain indenture, dated as of August 9, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “Indenture”).² The Involuntary Petitions were filed because the Debtors have failed to pay approximately \$494 million in principal and interest (plus continually accruing interest, fees, and other amounts) due and owing to holders of 8.250% Senior Notes due 2024 (the “Notes” and the holders thereof, the “Noteholders”) and are thus not paying their debts as they become due. The Petitioning Creditors, by and through the undersigned counsel, hereby submit this statement in support of the Involuntary Petitions, to inform the Court as follows:

PRELIMINARY STATEMENT

1. The Petitioning Creditors seek relief before this Court not as a first step, but as a last resort. Over the past two years, prior to acceleration, the Debtors failed to pay approximately \$66 million in missed interest payments (due on a semi-annual basis) under the Indenture. Following the acceleration of the underlying debt, Debtors, as of the filing of the Involuntary Petitions, now owe approximately \$494 million in principal and interest (plus continually accruing default interest, fees and other amounts). This constitutes the vast majority of the companies’ current debt. During those two years, an ad hoc group of Noteholders representing seven

² Attached hereto as Exhibit A.

individual members residing in multiple countries and holding in excess of 65% of the aggregate principal of the Notes outstanding (the “Ad Hoc Group”), of which the Petitioning Creditors are members, formed with the goal of resolving Debtors’ non-payment through negotiation. It is only after Debtors’ actions, described below, rendered good-faith negotiations impossible, that the Ad Hoc Group utilized all legal remedies available to them under the Indenture. Actions taken by the Debtors within the last year, largely in secret, and only disclosed in the last few weeks have demonstrated the futility of private negotiation and the need for a global resolution through the Bankruptcy Court. This Court is the only means by which to ensure maximum recovery for all stakeholders and to protect the due process rights of all Noteholders, including the Petitioning Creditors.

2. At every step, TV Azteca has sought to prevent any recovery by the Noteholders. The facts here are uncontested. On August 9, 2017, the Debtors raised \$400 million in the United States capital markets by entering into the New York law governed Indenture and agreeing to make semi-annual interest payments. Starting in February of 2021, TV Azteca stopped making interest payments due under the Indenture, and in fact has not made *any* interest payments since then. During this period of payment default, as the Debtors refused to pay even interest on the Notes, they nonetheless made the inexplicable decision to repay structurally subordinated debt owed to local creditors in full and early at a cost of over \$200 million. In response, the Noteholders sought to utilize the relief available under the Indenture. On August 5, 2022, Noteholders owning a majority of outstanding principal amount of the Notes (the “Directing Holders”), including the Petitioning Creditors, directed the indenture trustee (the “Indenture Trustee”), to send an acceleration notice to TV Azteca, upon which principal and interest immediately became due and payable. The Directing Holders then directed the Indenture Trustee to initiate a suit in New York

Supreme Court seeking a judgement for the principal and interest due under the Indenture. The Debtors began their process of delay by immediately seeking removal of the litigation to the U.S. District Court for the Southern District of New York and then argued that the procedure utilized in New York Supreme Court was inappropriate in federal court. That proceeding is now stayed by the filing of the Involuntary Petitions.

3. TV Azteca, not content with delay tactics in American courts, simultaneously sought to weaponize the Mexican courts to prevent any chance of Noteholder recovery, even while it purported to participate in litigation in New York and negotiate with the Ad Hoc Group. On September 22, 2022, *only one day* before TV Azteca filed their motion to remove the New York litigation to federal court, TV Azteca filed a secret complaint (the “Complaint”) without notice to any Noteholder or the Indenture Trustee in the Superior Court of Justice of Mexico City seeking declaratory and injunctive relief to excuse the missed interest payments and to prevent the Noteholders efforts to collect principal or interest under the Indenture. On September 27, 2022, the Superior Court of Justice of Mexico City issued an injunction (the “Injunction”) granting the requested relief and, among other things, purporting to block payment on the Notes, prohibiting any proceedings to enforce the Notes, and deeming the Acceleration Notices (defined herein) ineffective until the World Health Organization decrees the end of the COVID-19 pandemic. The Indenture Trustee only became aware of this *ex parte* Injunction when it was served with notice of the Injunction, *five months later*, in February 2023. The Petitioning Creditors never received notice or service of the Injunction and only became aware of its existence upon the publication of a Bloomberg Law article.³ The Complaint and Injunction, described in more detail below, are

³ See Michael O’Boyle, “TV Azteca Bondholders Face Mexican Ruling Blocking Payments,” Bloomberg (March 3, 2023), attached hereto as Exhibit B.

procedurally improper, a violation of the Mexican Constitution, ignore any semblance of due process, and violate the plain terms of the Indenture. The Indenture Trustee through Mexican Counsel has challenged the Injunction due to its procedural infirmities. This Mexican litigation appears to be designed solely to obstruct any possibility of Noteholder recovery. The Petitioning Creditors submit that TV Azteca will stop at nothing to ensure that Noteholders generally, and the Petitioning Creditors specifically, are denied any recovery under the Indenture.

4. The Debtors' actions leave the Petitioning Creditors no choice but to seek relief from this Court. Without intervention by this Court, the Noteholders will be permanently harmed, stripped of any due process rights through baseless litigation in Mexico, all of their contractual rights under their NY-law governed indenture, and left without a remedy to seek recovery. The Petitioning Creditors believe this Court, by contrast, will provide necessary judicial oversight, tools to analyze and claw back potentially avoidable transactions by the Debtors, transparency, and a forum for a global resolution of the multiple actions involving multiple parties across multiple countries that benefits all stakeholders. The order for relief sought by each of the Involuntary Petitions is therefore warranted and properly within the Court's purview, and the only remaining avenue by which the Noteholders may recover payment of the amounts owed.

BACKGROUND

A. The Debtors' Business

5. TV Azteca is one of the largest producers of Spanish-language television programming in the world, operating three national television networks in Mexico through more than 300 owned and operated stations across the country. TV Azteca also operates or licenses television networks throughout the Americas. In 2022, TV Azteca announced a partnership with

Estrella Media to co-create original programming for the United States and Mexico.⁴ In 2023, TV Azteca announced the launch of a video application in collaboration with a New York based company, which is sold in iOS and Android stores in the United States for United States consumers.⁵ TV Azteca is majority owned by a special purpose vehicle, Grupo Salinas, controlled by billionaire Mexican businessman Ricardo B. Salinas Pliego. Ricardo B. Salinas Pliego is reportedly the third richest person in Mexico.⁶

6. The Guarantors are subsidiaries of TV Azteca that provided a guarantee pursuant to Section 10.1 of the Indenture, which provides that the Guarantors fully guarantee the obligations of TV Azteca. Originally, there were an additional 23 companies identified in the Indenture as Guarantors but those companies were merged with TV Azteca,⁷ merged with Azteca International Corporation,⁸ or sold to third parties.⁹ Neither the Indenture Trustee or the Noteholders were informed about the mergers or sales until the Debtors filed responsive pleadings in federal court. Upon information and belief, the Guarantors are controlled by TV Azteca and their assets have been transferred to entities with the goal of frustrating collection efforts by the Noteholders.

⁴ See “Estrella Media and TV Azteca, Two Leading Spanish Language Media Companies, Announce Content Partnership Agreement,” Business Wire (April 19, 2022), attached hereto as **Exhibit C**.

⁵ See “ICARO and TV Azteca International Launch ‘AZTECA NOW’ Streaming Platform for US Market in Spanish,” EIN Presswire (Jan. 17, 2023), attached hereto as **Exhibit D**.

⁶ See Daniel Cancel, “Mexico’s ‘Uncle Rich’ Tweets His Wealth as Others Guard Privacy,” Bloomberg (March 7, 2023), attached hereto as **Exhibit E**.

⁷ The following original guarantors merged with TV Azteca—Azteca Novelas, S.A.P.I. de C.V.; Red Azteca Internacional, S.A. de C.V.; Televisión Azteca, S.A. de C.V.; TV Azteca Comercializadora, S.A. de C.V.; Comercializadora de Publicidad Azteca, S.A. de C.V.; Administradora Grupo TVA, S.A. de C.V.; Grupo TV Azteca, S.A. de C.V.; Inversora Mexicana De Producción, S.A. de C.V.; Profesionales y Administrativos en Servicios Inmobiliarios, S.A. de C.V.; Comerciacom, S.A. de C.V.; Estudios Azteca, S.A. de C.V.; Finbor México, S.A. de C.V.; Azteca Telecasting, S. de R.L. de C.V.; Azteca Web, S.A. de C.V.; and Comercializadora en Medios de Comunicación de TV Azteca, S.A. de C.V.

⁸ The following original guarantors merged with Azteca International Corporation—Agencia Azteca, Inc.; Azteca America TV Spot Sales, LLC; Azteca Stations, LLC; SCTV, Inc.; Kaza Azteca America Inc.; Southern California TV LLC; and Fundacion Azteca America, LLC.

⁹ The following original guarantor was sold to a third party, with TV Azteca retaining a minority interest—Club de Futbol Rojinegros, S.A. de C.V.

B. TV Azteca Issues the Notes Pursuant to the Indenture

7. On August 9, 2017, TV Azteca issued \$400 million in debt pursuant to the Indenture. The financing's stated purpose was to refinance part of the Company's senior notes due in 2020, which would "significantly improve the debt maturity profile of TV Azteca."¹⁰ Under the terms of the Indenture, TV Azteca is obligated to make semi-annual interest payments at the rate of 8.250% per annum on the \$400 million principal sum on specified dates, August 9 and February 9 of each year during the term of the Indenture.¹¹ The Indenture further provides that the Guarantors fully guarantee the obligations of the Company, "whether at maturity, by acceleration, by redemption or otherwise," under the Indenture.¹² Finally, the Indenture is subject to New York Law and includes an agreement by all parties that any action may be commenced in any court in the State of New York siting in Manhattan. In addition, TV Azteca has consented to the "exclusive

¹⁰ See "TV Azteca Successfully Issues US\$400 Million in Senior Notes in International Markets," Globe Newswire (Aug. 2, 2017), attached hereto as [Exhibit F](#).

¹¹ See Indenture § 3.1.

¹² See Indenture § 10.1. The original guarantors under the Indenture were Administradora Grupo TVA, S.A. de C.V.; Alta Empresa, S.A. de C.V.; Asesoría Especializada En Aviación, S.A. de C.V.; Atlético Morelia, S.A. de C.V.; Azteca Conecta Producciones, S.A. de C.V.; Azteca Novelas, S.A.P.I. de C.V.; Azteca Records, S.A. de C.V.; Azteca Telecasting, S. de R.L. de C.V.; Azteca Web, S.A. de C.V.; Club De Futbol Rojinegros, S.A. de C.V.; Comerciacom, S.A. de C.V.; Estudios Azteca, S.A. de C.V.; Finbor México, S.A. de C.V.; Ganador Azteca, S.A.P.I. de C.V.; Grupo TV Azteca, S.A. de C.V.; Inversora Mexicana De Producción, S.A. de C.V.; Operadora Mexicana De Televisión, S.A. de C.V.; Organización De Torneos y Eventos Deportivos, S.A. de C.V.; Producciones Azteca Digital, S.A. de C.V.; Producciones Especializadas, S.A. de C.V.; Productora De Televisión Regional De Tv Azteca, S.A. de C.V.; Profesionales y Administrativos en Servicios Inmobiliarios, S.A. de C.V.; Promotora de Futbol Rojinegros, S.A. de C.V.; Promotora de Futbol Morelia, S.A. de C.V.; Publicidad Especializada en Medios de Comunicación de TV Azteca, S.A. de C.V.; S.C.I. de México, S.A. de C.V.; Servicios Aéreos Noticiosos, S.A. de C.V.; Servicios Especializados Taz, S.A. de C.V.; Servicios y Mantenimiento del Futuro en Televisión, S.A. de C.V.; Televisión Azteca, S.A. de C.V.; TV Azteca Comercializadora, S.A. de C.V.; Corporación de Asesoría Técnica y de Producción, S.A. de C.V.; Comercializadora De Publicidad Azteca, S.A. de C.V.; Comercializadora en Medios de Comunicación de TV Azteca, S.A. de C.V.; Editorial Mandarina, S.A. de C.V.; Multimedia, Espectáculos y Atracciones, S.A. de C.V.; Red Azteca Internacional, S.A. de C.V.; Servicios Foráneos de Administración, S.A. de C.V.; Servicios Locales De Producción, S.A. de C.V.; Agencia Azteca, Inc.; Azteca America TV Spot Sales; Azteca International Corporation; Azteca Stations, LLC; Stations Group, LLC; SCTV, Inc.; Kaza Azteca America Inc.; Southern California TV LLC; Fundacion Azteca America, LLC; TV Azteca Honduras, S.A. de C.V.; Comercializadora de Televisión de Honduras, S.A. de C.V.; Incotel S.A.; TVA Guatemala S.A.; Lasimex, S.A. de C.V.; TV Azteca Global, S.L.U.; Azteca Comunicaciones Perú, S.A.C.; Redes Opticas, S.A.C.; and Televisora del Valle de México, S.A. de C.V.

jurisdiction of any court of the State of New York or any United States court sitting, in each case, in the Borough of Manhattan.”¹³

EVENTS LEADING TO THE INVOLUNTARY CHAPTER 11 FILING

A. TV Azteca’s Failure to Make Interest Payments

8. On February 9, 2021, TV Azteca publicly announced that it would “defer” payment of the interest payment due on that date (the “February 2021 Interest Payment”) despite the absence of any provision allowing such a deferral under the Indenture.¹⁴ This “deferral” proved to be permanent, as TV Azteca has refused to pay any of the interest payments due under the Indenture since February 2021.

9. On March 22, 2021, the Indenture Trustee sent TV Azteca a Notice of Event of Default pursuant to the Indenture, informing TV Azteca that it had not made the February 2021 Interest Payment and had failed to cure the default within 30 days following such date and, as such, an Event of Default had occurred.¹⁵ To date, TV Azteca has not made the February 2021 Interest Payment.

10. On August 9, 2021, TV Azteca failed to make another interest payment due on that date (the “August 2021 Interest Payment”). On December 8, 2021, TV Azteca sent the Indenture Trustee a letter purporting to have unilaterally “deferred” the August 2021 Interest Payment and stating that it was “still in discussions with a group of the largest holders of the [Notes] . . . concerning the Company’s obligations under the [Notes].”¹⁶ The letter instructed the Indenture Trustee to direct any questions to TV Azteca’s U.S. counsel Paul, Weiss, Rifkind, Wharton &

¹³ See Indenture § 11.7.

¹⁴ See “TV Azteca Announces Early Amortization of *Certificados Bursátiles* Up To \$1,200 Million Pesos,” TV Azteca (Feb. 9, 2021), attached hereto as **Exhibit G**.

¹⁵ See Notice of Event of Default dated March 22, 2021, attached hereto as **Exhibit H**.

¹⁶ See letter from TV Azteca to the Indenture Trustee dated December 8, 2021, attached hereto as **Exhibit I**.

Garrison LLP to the attention of Alan W. Kornberg and Elizabeth McColm, both partners in the New York office.¹⁷ To date, TV Azteca has not made the August 2021 Interest Payment.

11. On February 9, 2022, TV Azteca failed to make a *third interest payment* due on such date (the “February 2022 Interest Payment”). Despite its ongoing failure to make its debt payments, on July 28, 2022, TV Azteca announced improved net sales, net income, and EBITDA.¹⁸ Upon information and belief, from the end of 2020 through the last twelve months of the 3rd Quarter 2022, TV Azteca has grown EBITDA by over 140% while reducing total debt by over 25%.

12. Finally, on August 9, 2022, TV Azteca failed to make a *fourth interest payment* due on such date (the “August 2022 Interest Payment” and collectively with the February 2021 Interest Payment, the August 2021 Interest Payment, and the February 2022 Interest Payment, the “Missed Interest Payments”).

13. The aggregate amount of the Missed Interest Payments due and outstanding under the Indenture from TV Azteca is approximately \$66 million. In addition, the Indenture provides that TV Azteca “shall pay interest... on overdue principal” and “interest on Defaulted Interest without regard to any applicable grace periods.”¹⁹ To date, TV Azteca has failed to pay any amount of the Missed Interest Payments.

B. TV Azteca’s Preferential Treatment of Local Creditors and Improper Transfers of Assets

14. Despite its claimed need to “defer” payment due under the Indenture, TV Azteca continued to make selective payments to other, local creditors during this time.

¹⁷ *Id.*

¹⁸ See “TV Azteca Announces Net Sales Ps.3,589 Million and EBITDA of Ps.672 Million in The Second Quarter of 2022,” TV Azteca (July 28, 2022), attached hereto as Exhibit J.

¹⁹ Indenture, Ex. A at A-3.

15. In the same February 9, 2021 announcement that TV Azteca announced it would defer payments to Noteholders, TV Azteca stated that it would amortize early up to 1,200 million Mexican pesos²⁰ of principal, out of 4,000 million pesos²¹ of principal outstanding, of its structurally subordinate and unsecured local debt, the Certificados Bursátiles (“CEBURES”), which is structurally subordinate to the Notes. The CEBURES debt has no credit support from the Guarantors under the Notes. On March 5, 2021, TV Azteca finalized the purchase and cancelation of 1,211 million pesos²² of the CEBURES on the secondary market.²³ TV Azteca claimed that the purchase of subordinate CEBURES debt as another step “to ensure the orderly and responsible reorganization of our debt.”²⁴ At no point was any effort made to repay the Noteholders or pay any portions of the Missed Interest Payments, let alone any principal amount.

16. TV Azteca has also taken steps to limit the number of Guarantors responsible for the underlying debt held by the Noteholders in order to make it more difficult for the Noteholders and Petitioning Creditors to recover. There were originally 57 companies identified in the Indenture as Guarantors. Since the signing of the Indenture however, 23 of those identified companies either merged with TV Azteca or Azteca International Corporation, or were sold to third parties. Despite numerous on and off again discussions between the Ad Hoc Group and TV Azteca over the past two years at no point was the Ad Hoc Group or the Indenture Trustee informed of these actions by the Company. Upon information and belief, the Guarantors are controlled by TV Azteca and Grupo Salinas.

²⁰ Approximately \$60 million U.S. dollars as of February 9, 2021.

²¹ Approximately \$199 million U.S. dollars as of February 9, 2021.

²² Approximately \$57 million U.S. dollars as of March 5, 2021.

²³ See “TV Azteca Finalizes Purchase and Cancellation of Ps.1,211 Million Pesos of Its Certificados Bursátiles,” PRNewswire (March 5, 2021), attached hereto as Exhibit K.

²⁴ See Ex. J.

17. Further, upon information and belief, TV Azteca and other related or affiliated entities have established a trust for the benefit of Banco Azteca, that is controlled by Grupo Salinas, to guarantee draws under a revolver. Upon information and belief funds from the Debtors, that would otherwise be available to satisfy the Noteholders' claims, have been specifically transferred to this trust for the express purpose of frustrating potential recovery.

C. Formation of the Ad Hoc Group and Prepetition Negotiating Efforts

18. After the missed February 2021 Interest Payment, the Ad Hoc Group formed and retained advisors to seek resolution with the Debtors. Currently, the Ad Hoc Group, including the Petitioning Creditors, beneficially hold over 65% of the 8.25% notes. The Ad Hoc Group has repeatedly sought to engage in constructive dialogue with TV Azteca to no avail. The Ad Hoc Group provided numerous proposals to the Debtors outlining a consensual resolution, many of which the Company never responded to. Similarly, the Ad Hoc Group repeatedly sought to engage with decision-makers at the Company in an effort to open a constructive line of dialogue. Those efforts were unsuccessful. It has become apparent that the Company had no interest in negotiating in good faith, and indeed while the Ad Hoc Group sought to negotiate, the Company had secretly commenced *ex parte* litigation in Mexico, a fact it failed to disclose to the Ad Hoc Group at any point.

D. Noteholders Direct the Indenture Trustee to Accelerate the Debt

19. On May 3, 2022, as a result of the Events of Default due to the Missed Interest Payments, Holders of more than 25% of the aggregate principal amount of outstanding Notes issued a notice of acceleration to TV Azteca and the Indenture Trustee (the "Holder Acceleration Notice") pursuant to and in accordance with the terms of the Indenture.²⁵ On May 6, 2022, the

²⁵ See Notice of Acceleration dated May 3, 2022, attached hereto as Exhibit L.

Indenture Trustee sent the Company a letter further advising the Company of the Holder Acceleration Notice.²⁶

20. On August 5, 2022, the Indenture Trustee, at the instruction of the Directing Holders, issued a Notice of Acceleration to TV Azteca (the “Trustee Acceleration Notice” and, collectively with the Holder Acceleration Notice, the “Acceleration Notices”) as a result of the payment Events of Default and the complete lack of progress in negotiations with the Company despite the good faith efforts of the Ad Hoc Group.²⁷ On August 8, 2022, the Indenture Trustee issued a supplement to the Trustee Acceleration Notice clarifying that any premium and other amounts owed on the Notes and under the Indenture are also immediately due and owing as a result of the acceleration.²⁸ On August 8, 2022, the Company issued a press release acknowledging receipt of the Acceleration Notices.²⁹

21. As of the date of the filing of the Involuntary Petitions, the Debtors have failed to pay in excess of \$494 million of principal and interest, due on the Notes, which constitutes the vast majority of the companies’ current debt. Accordingly, the Debtors are not paying their debts as they become due.

E. The Indenture Trustee Initiates Litigation to Recover on the Notes

22. On August 26, 2022, the Bank of New York Mellon, solely in its capacity as Indenture Trustee of the Notes and at the direction of the Directing Holders, initiated litigation against the Company and the Guarantors in the Supreme Court of the State of New York, County

²⁶ See letter from the Indenture Trustee to TV Azteca dated May 6, 2022, attached hereto as Exhibit M.

²⁷ See letter from the Indenture Trustee to TV Azteca and the Guarantors dated August 5, 2022, attached hereto as Exhibit N.

²⁸ See letter from the Indenture Trustee to TV Azteca and the Guarantors dated August 8, 2022, attached hereto as Exhibit O.

²⁹ See “TV Azteca Reaffirms its Commitment to Dialogue in Order to Reorganize Liabilities with the 2004 Noteholders,” TV Azteca (Aug. 8, 2022), attached hereto as Exhibit P.

of New York (the “New York Litigation”) by bringing a motion for summary judgment in lieu of complaint—an accelerated proceeding available when an action is based on an instrument for the payment of money.³⁰ The New York Litigation sought compensatory damages totaling the aggregate amount of accrued and unpaid interest based on TV Azteca’s failure to make three interest payments, the full amount of interest up to the date of acceleration on August 5, 2022, and the full amount of principal due under the Indenture at that time, collectively totaling \$469,783,272.³¹

23. On September 23, 2022, TV Azteca removed the New York Litigation to the U.S. District Court for the Southern District of New York (the “Federal Litigation”).³² In a subsequent motion in the Federal Litigation, TV Azteca revealed for the first time that numerous Guarantors had been merged or sold, releasing them under the terms of the Indenture.³³ The Indenture Trustee subsequently voluntarily dismissed without prejudice the released Guarantors named in the Federal Litigation.³⁴ Debtors also raised procedural issues in the Federal Litigation, including that the

³⁰ See Notice of Motion for Summary Judgment in Lieu of Complaint, NYSCEF No. 2, *Bank of New York Mellon v. TV Azteca S.A.B. de C.V. et al.*, Index. No. 653101/2022 (N.Y. Sup. Ct., N.Y. County Aug. 26, 2022), attached hereto as Exhibit Q; see also N.Y. C.P.L.R. § 3213.

³¹ See Memorandum of Law in Support of Plaintiff’s Motion for Summary Judgment in Lieu of Complaint, NYSCEF No. 3, *Bank of New York Mellon v. TV Azteca S.A.B. de C.V. et al.*, Index. No. 653101/2022 (N.Y. Sup. Ct., N.Y. County Aug. 26, 2022), attached hereto as Exhibit R.

³² See Defendants’ Notice of Removal, Doc. No. 1, *Bank of New York Mellon v. TV Azteca S.A.B. de C.V. et al.*, Case No. 22-cv-08164-PGG (S.D.N.Y. Sept. 23, 2022), attached hereto as Exhibit S.

³³ See Memorandum of Law in Support of Defendants’ Opposition to Plaintiff’s Motion for Summary Judgment in Lieu of Complaint and in Support of Defendants’ Motion to Compel Plaintiff to File a Complaint, Doc. No. 9, *Bank of New York Mellon v. TV Azteca S.A.B. de C.V. et al.*, Case No. 22-cv-08164-PGG (S.D.N.Y. Sept. 30, 2022), attached hereto as Exhibit T.

³⁴ See Notice of Voluntary Dismissal, Doc. No. 15, *Bank of New York Mellon v. TV Azteca S.A.B. de C.V. et al.*, Case No. 22-cv-08164-PGG (S.D.N.Y. Sept. 30, 2022), attached hereto as Exhibit U. The dismissed former Guarantors are Azteca Novelas, S.A.P.I. de C.V.; Red Azteca Internacional, S.A. de C.V.; Televisión Azteca, S.A. de C.V.; TV Azteca Comercializadora, S.A. de C.V.; Comercializadora de Publicidad Azteca, S.A. de C.V.; Administradora Grupo TVA, S.A. de C.V.; Grupo TV Azteca, S.A. de C.V.; Inversora Mexicana De Producción, S.A. de C.V.; Profesionales y Administrativos en Servicios Inmobiliarios, S.A. de C.V.; Comerciacom, S.A. de C.V.; Estudios Azteca, S.A. de C.V.; Finbor México, S.A. de C.V.; Azteca Telecasting, S. de R.L. de C.V.; Azteca Web, S.A. de C.V.; Comercializadora en Medios de Comunicación de TV Azteca, S.A. de C.V.; Agencia Azteca, Inc.; Azteca America

procedure utilized in New York Supreme Court was inappropriate in federal court. The Federal Litigation has been stayed following the filing of this proceeding.

F. TV Azteca Seeks to Prevent Repayment of the Notes through a Secret Mexican Litigation

24. Unbeknownst to the Petitioning Creditors, any other Noteholders, or the Indenture Trustee, and without notice to the Court presiding over the Federal Litigation, TV Azteca, on September 22, 2022, *only one day before TV Azteca sought to remove the New York Litigation*, filed a Complaint against certain Noteholders and the Indenture Trustee in Mexico (the “Mexican Litigation”)³⁵ with the intent to obstruct the resolution of the New York and Federal Litigation, prevent enforcement of the Notes, and preclude any potential recovery by Petitioning Creditors or other Noteholders. The Complaint curiously asserts, among other things, that the outbreak of the COVID-19 pandemic and subsequent related orders by the Mexican government represented “Acts of God and Force Majeure events” that rendered TV Azteca’s performance under the Indenture impossible from the date the World Health Organization declared the COVID-19 outbreak a pandemic—March 11, 2020—until the present day. The Complaint also asserted various arguments that the Acceleration was purportedly improper. As such, TV Azteca purportedly is under no obligation to pay the principal or interest on the Notes.

25. On September 27, 2022, the Superior Court of Justice of Mexico City, without notifying the Petitioning Creditors, any other Noteholders, the Indenture Trustee, or the Court presiding over the Federal Litigation, issued an Injunction to “keep the current factual situation” by, among other things, purporting to block payment on the Note, prohibiting any proceedings to

TV Spot Sales, LLC; Azteca Stations, LLC; SCTV, Inc.; Kaza Azteca America Inc.; Southern California TV LLC; Fundacion Azteca America, LLC; and Club de Futbol Rojinegros, S.A. de C.V.

³⁵ A declaration from Mexican Counsel, Fernando Del Castillo Elorza, has been filed concurrently with this Statement.

enforce the Note, and deeming the Acceleration Notices ineffective until the World Health Organization decrees the end of the SARS-COVID-19 pandemic.

26. The Indenture Trustee first became aware of the Mexican Litigation when it was served with boxes of documents containing the Complaint and the Injunction *on February 21, 2023*, approximately five months after entry of the Injunction. To date no Petitioning Creditor, and upon belief no Noteholder, has been served with the Complaint or Injunction. The arguments in the Complaint are without merit and ignore applicable New York law and the terms of the Indenture, as well as the existence of the Trustee's Acceleration Notice. Further, neither the Indenture Trustee nor the Noteholders had representation in the Mexican Litigation such that they could have contested the entry of the Injunction, a violation of their due process rights.

27. On March 15, 2023, the Indenture Trustee filed an Amparo (the "Amparo"), which is relief available in Mexican courts to seek protection from acts that violate fundamental constitutional rights. The Amparo argues that the Injunction violates the Constitution of Mexico by depriving the Indenture Trustee of their fundamental rights to due process. Specifically, while the Injunction framed its relief as "precautionary measures" to maintain the status quo, it improperly granted TV Azteca the final relief it might have obtained at trial—relieving TV Azteca of its obligations under the Indenture indefinitely while purporting to prohibit the Holders or the Indenture Trustee from taking any actions to enforce their rights. In addition, the Amparo notes that the Injunction is improper because the Holders and the Indenture Trustee had not even been informed of the Mexican Litigation, let alone afforded an opportunity to mount a defense. In light of such clear constitutional defects, the Amparo seeks a suspension of the Injunction. On March 23, 2023, the Amparo was dismissed without prejudice due to a failure to exhaust local remedies.

The Indenture Trustee will be seeking relief from this Court with regard to how to address the dismissal of the Amparo.

G. The Petitioning Creditors File the Involuntary Petitions

28. On March 20, 2023, the Petitioning Creditors filed an involuntary petition seeking relief from this Court.

29. Each of the Petitioning Creditors is a member of the Ad Hoc Group. As provided in further detail below and in the declarations attached to the Involuntary Petitions, each Petitioning Creditor holds a claim against the Debtors that is (i) over \$18,600, (ii) is not contingent as to liability and (iii) is not subject to a bona fide dispute as to liability or amount.

30. Plenisfer Investments SICAV - Destination Value Total Return holds claims against each of the Debtors in the aggregate principal amount of at least \$11,600,000 based upon certain of its holdings of the Notes, which Notes were acquired between November 2021 and October 2022.³⁶

31. Cyrus Opportunities Master Fund II, Ltd. holds claims against each of the Debtors in the aggregate principal amount of at least \$27,477,000 based upon certain of its holdings of the Notes, which Notes were acquired between November 2021 and November 2022.³⁷

32. Sandpiper Limited holds claims against each of the Debtors in the aggregate principal amount of at least \$24,238,000 based upon certain of its holdings of the Notes, which Notes were acquired between February 2021 and November 2022.³⁸

³⁶ See Amended Involuntary Petition Against a Non-Individual, Doc. No. 2, at 5-6.

³⁷ *Id.* at 25-26.

³⁸ *Id.* at 35-36.

CONCLUSION

33. Based on the foregoing, the Petitioning Creditors respectfully request that the Court enter the orders for relief sought by the Involuntary Petitions against each of the Debtors pursuant to Bankruptcy Code section 303 and grant such other relief as may be just and proper.

Dated: March 27, 2023
New York, New York

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